

Introduced: 1/15/79
Referred: Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural loans under the Alaska
7 Agricultural Loan Act; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 03.10.030(a) is amended to read:

11 (a) A farm development loan may not exceed \$500,000 [\$200,000].
12 The mortgage which secures a farm development loan may be of any prior-
13 ity if the total indebtedness on the real estate, including the secured
14 farm development loan, does not exceed \$500,000 [\$200,000]. A farm
15 development loan which, if granted, would raise the existing indebted-
16 ness on the real estate above \$500,000 [\$200,000], or a farm development
17 loan on real estate which has a prior existing indebtedness of \$500,000
18 [\$200,000] or more, may be made only if all prior mortgagees agree to
19 subordinate their mortgages to that of the state for the amount of the
20 farm development loan which exceeds the \$500,000 [\$200,000] indebtedness
21 limit on the real estate. A loan may not run longer than 30 years nor
22 bear interest exceeding six per cent, and it shall be secured by a real
23 estate or chattel mortgage, or both.

24 * Sec. 2. AS 03.10.030(b) is amended to read:

25 (b) Except for loans for irrigation systems as provided in this
26 subsection, a chattel loan may not exceed \$300,000 [\$100,000] for each
27 farm unit and may not run longer than seven years or the useful life of
28 the chattel if more than seven years. It may not bear interest exceed-
29 ing six per cent. It shall be secured by a real estate or chattel

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mortgage, or both. Loans and the real estate and chattel mortgage security on them for irrigation systems may be in amounts and for terms as determined by the commissioner.

* Sec. 3. AS 03.10.030(c) is amended to read:

(c) A short term loan, to be amortized within one year, not to exceed \$100,000 [\$25,000] to any one borrower may be made for operating purposes.

* Sec. 4. AS 03.10.040 is amended to read:

Sec. 03.10.040. CREATION OF FUND. There is an agricultural revolving loan fund which shall not exceed \$20,000,000 [\$5,000,000] to carry out the purpose of this chapter.

* Sec. 5. This Act takes effect July 1, 1979.